

General Administration**Louisville Arena****75,000,000**

This project will provide partial funding to support a new Arena to be located in downtown Louisville, Jefferson County. The total anticipated cost of the arena complex will be approximately \$349 million. It will be paid for by a variety of different sources. There are 15 different revenue streams. They include naming rights, seat premiums, parking and incremental tax dollars that occur due to the creation of the arena complex.

The University of Louisville men's and women's basketball teams will be the primary tenants in the arena complex, although concerts, family shows and other major functions will be held as well. Initial plans call for the arena complex to be approximately 669,000 square feet. A task force convened by Governor Fletcher recommended that the arena have 22,000 seats, 70 luxury suites, a practice facility and the ability to convert the facility into an ice rink for a minor league hockey team and family skating shows. The rest of the complex should contain a restaurant, hotel, parking garage and retail shops.

The Louisville Arena Authority has been established as a 501(c)(3) corporation and will be able to buy and hold property, negotiate and sign contracts. They also will sell bonds to pay for the arena complex and manage day to day operations of the arena complex.

Bond Funds

75,000,000

General Administration Summary**75,000,000****Bond Funds****75,000,000**

Facilities and Support Services**Renovate Ky State Office Building**

12,699,000

This authorization will allow the New State Office Building renovation project originally authorized by the 1994 and 1996 General Assembly to proceed. The 2005 session of the General Assembly provided \$35 million to continue the progress on this major renovation. This project is for a total renovation of the Ky State Office Building including HVAC, electrical, sprinkler, fire alarm, telecommunications, window replacement, exterior tuck pointing, roof replacement, ADA upgrades, elevator upgrades, new exterior wall insulation and finishes, new ceiling systems, new floor coverings and new modular furniture. The building will be tied into the new central utilities plant that was appropriately sized to support this renovation. The building cannot be reoccupied without completion of this renovation project. This project will provide for more usable, rentable office space for state government agencies and help reduce the reliance upon leased space in Franklin County. It is also consistent with the Department's mission to maintain the Commonwealth's office buildings in a safe, modern, efficient, and desirable working condition while keeping operating costs to a minimum.

Bond Funds

12,699,000

Statewide Repair, Maintenance and Replacement

5,000,000

5,000,000

This bond funded project supports projects for major repair and maintenance of state facilities in the following Cabinets: Commerce Cabinet, Finance and Administration Cabinet, and Justice Cabinet. The character of these agency's maintenance pool projects will necessarily continue the policy begun by the 2005 General Assembly due to the use of bonds to fund the fiscal year 2006-2007 and fiscal year 2007-2008 maintenance pools. In contrast to historical policy, the individual projects approved by the agencies, the Finance and Administration Cabinet, and the Office of the State Budget Director must be of a more permanent nature, i.e. roofs, HVAC systems, windows, etc. with a useful life that approximates the life of the bonds (10 years). Previously, the agencies were limited by statute to funding projects from their maintenance pools costing \$400,000 or less. The General Assembly inserted language in HB 267 (Part 2; General Provisions; Item # 6 pages 148 and 149) that effectively temporarily suspends this limitation for those maintenance pools funded by the issuance of bonds. The Governor is recommending to continue this policy. This will provide the above agencies with the flexibility to identify a project or projects costing in excess of \$400,000 to be appropriately funded with bonds.

Projects identified from this fund source are also subject to IRS expenditure rules for tax-exempt bonds. This means, in general, that any project that is identified must be completed or substantially completed (95%) within 2 years.

Included in the above Statewide Repair, Maintenance, and Replacement Pool are the following Bond Fund supported projects and related appropriations in fiscal year 2007:

(a) Parks, Maintenance Pool, \$1,250,000;

(b) Facilities and Support Services Maintenance Pool, \$3,750,000;

and in fiscal year 2008:

(a) Justice and Public Safety Cabinet, Corrections Management, Maintenance Pool, \$1,850,000

(b) Facilities and Support Services Maintenance P

Bond Funds

5,000,000

5,000,000

Facilities and Support Services**Capital Plaza Complex - Renovation - Design****4,942,000**

This project will design the renovation of the Capital Plaza Complex. The Capital Plaza Tower contains approximately 231,200 net square feet of office space. There is additional office space at Fountain Place Shops and the tenant area of Wilkinson Blvd. Plaza terrace and parking that will also be included in the renovation. The tower is 35 years old and is occupied currently by Agriculture, Education, Environmental Protection, and the Commerce Cabinet.

Bond Funds

4,942,000

Acquire Land/Demolish Structures - Statewide**903,000****904,000**

The Franklin County Leased Space Report prepared for the Finance and Administration Cabinet determined that the Commonwealth needed to reduce its dependence upon privately-owned leased space. As such, this project will allow the Commonwealth to purchase suitable properties when they become available in and around Frankfort and other locations throughout the state for further use as state-owned building sites, green space, buffer areas, and other opportunities of public value.

Capital Construction Surplus

903,000

904,000

Improve Site Infrastructure-KY Capitol Complex**1,132,000****330,000**

These funds are provided to support the continuation of essential infrastructure development for the Capitol Complex to accommodate the historic restoration of the Kentucky State Capitol. The restoration of the Kentucky State Capitol, including a renovation and addition to the Annex, was recommended by the May 2000 Kentucky State Capitol Master Plan. The project will continue the restoration of the Commonwealth's premier public building to its original splendor while upgrading operational capabilities with state-of-the-art heating, cooling, security, electrical, telecommunications and data systems and significantly enhancing accessibility for persons having physical disabilities. Elements of this project may also include upgrades to HVAC systems, electrical systems, plumbing, fire protection, telecommunications, tunnels, parking and vehicular circulation, and landscaping elements.

Investment Income

800,000

330,000

Deferred Maintenance

332,000

Governor's Mansion HVAC and Window Replacement**490,000**

This project will continue the replacement and renovation of infrastructure-related items at the "New" Governor's Mansion approved by the 2005 session of the General Assembly. This renovation will include replacement of the HVAC system, exterior windows and any other associated items or systems that protect the various components and finishes of the facility.

Investment Income

490,000

Facilities and Support Services**Restoration of the Executive Mansion and Grounds**

Notwithstanding KRS 41.290, KRS 56.491, KRS 11.027, KRS 337.505 through KRS 337.550, KRS Chapter 45A or any other provision of law to the contrary, the project to restore the Executive Mansion may be supervised, directed and conducted by a private foundation that is approved by the Secretary of the Finance and Administration Cabinet. The private foundation shall have the full authority and discretion to make purchases, select and hire contractors, and to procure all materials and services, including donated materials and services, necessary to plan, design and make restorations and renovations to the Executive Mansion. All contractors and subcontractors that perform work valued at greater than \$500,000 shall provide surety or post bond in an amount deemed sufficient by the Secretary of the Finance and Administration Cabinet.

Guaranteed Energy Savings Performance Contract

Energy audits will be conducted at state-owned facilities to establish the need for Performance Contracting. Performance Contracting would then be used to replace inefficient equipment, and the source of payments for the performance contracts will be energy savings generated by the improvements which are budgeted within the operating budget. The Guaranteed Energy Performance Projects Pool serves as a central project pool for Guaranteed Energy Savings Performance Contracts in any state-owned building. These contracts will function as lease-purchase procurements, using energy savings as payment for improvements, as provided by KRS 56.770 to 56.784.

Facilities and Support Services Summary**Bond Funds****Capital Construction Surplus****Investment Income****Deferred Maintenance****25,166,000****6,234,000****22,641,000****5,000,000****903,000****904,000****1,290,000****330,000****332,000**

Commonwealth Office of Technology**Public Safety Comm. Infrastructure - KEWS****29,166,000**

The 1976 Kentucky General Assembly authorized the Kentucky Emergency Warning System (KEWS) as a result of the inability of first responders to communicate after the devastation left by tornadoes that struck the Commonwealth in 1974. KEWS is a highly survivable and redundant statewide analog microwave based communication system providing network inter-connectivity carrying radio control, low speed data, video, and emergency voice traffic for public safety and emergency agencies. Since its service was initiated in 1979, KEWS has evolved and expanded its communication services to serve not only the Commonwealth agencies such as the Kentucky State Police, Department of Military Affairs, Kentucky Educational Television, Department of Fish and Wildlife Resources, Kentucky Transportation Cabinet, Natural Resources and Environmental Protection Cabinet, Kentucky Emergency Management, and the University of Kentucky, but also Federal and Local agencies such as Federal Bureau of Investigations, National Weather Service, and numerous Local-County Emergency Medical Services.

Because the KEWS microwave infrastructure is over 25 years old with replacement parts that are not available and network failures that were impacting the various communication systems riding on KEWS network the 2005 General Assembly appropriated \$13,768,000 for the first phase of the KEWS upgrade. With the modern digital upgrade, KEWS will evolve again to provide a secure, highly survivable and redundant wireless digital Pubic Safety Communication system that is critical for the protection of life and property in the Commonwealth.

Federal Funds

16,166,000

Bond Funds

13,000,000

Data Center Readiness**1,317,000**

The existing Cold Harbor building, presently housing the central operations of COT, requires various repairs and upgrades to protect investment and accommodate the evolving and expanding mission of COT to provide data services to the Commonwealth. This project will repair or replace the deteriorating roof, upgrade the heating, cooling, electrical, and telecommunications/data systems, and provide for alteration of interior spaces to accommodate the operational needs of COT.

Bond Funds

1,317,000

Ky Information Highway Expansion 06-08**1,975,000****1,975,000**

The Kentucky Information Highway (version 2) (KI2) is a network infrastructure built on modern transport technologies that allows the Commonwealth Office of Technology (COT) to extend network resources to every agency in every county in the state. KI2 also allows COT to deploy new service offerings that were previously unavailable because of technological constraints. These new technologies will increase available bandwidth and save \$3 to \$4 million in operating costs annually.

Restricted Funds

1,975,000

1,975,000

Commonwealth Office of Technology**Enterprise Server (z/OS) Upgrade/Replacement****800,000****400,000**

The Commonwealth Office of Technology (COT) supports all major statewide applications by providing both hardware and software infrastructure necessary to successfully manage large legacy applications. These legacy applications running on the mainframe processor continue to grow by about 10% per year. Web-based front-end processes are being developed to extend the functionality and life expectancy of many of these legacy applications. This project will supply sufficient processing capacity to address agency needs into the future.

Restricted Funds

800,000

400,000

Statewide Digital Orthoimagery Basemap Update**500,000****500,000**

This initiative will continue the effort to build a shared basemap that can meet the needs of its users at the state, federal, local, and regional level. A common basemap reduces the cost of developing GIS applications and promotes data sharing. Access to the basemap is made available in the public domain. The initial orthoimagery coverage was created from aerial photography flown from 1992 through 1998 (with some very limited coverage from 1999). The oldest imagery (east of 84 degrees longitude) was updated in 2001 and 2002. This represents approximately one-fourth of the state. The remaining area needs to be updated. This project will provide significant savings to governments and the private sector in using a common basemap, avoiding duplication, and encouraging standardization of Geographic Information Systems (GIS) assets.

Restricted Funds

500,000

500,000

Enterprise Applications Upgrade**500,000****500,000**

The project includes infrastructure servers, operating systems licenses, contractor services, monitoring, and support tools needed to upgrade both Active Directory and the Exchange email system. Active Directory is the authentication database against which employees are verified to access enterprise services throughout the Commonwealth. The Exchange 2003 messaging infrastructure is the messaging platform which will utilize the Active Directory database for authentication and directory information.

Restricted Funds

500,000

500,000

Enterprise Project Management Information System**425,000****425,000**

This project will allow the Commonwealth Office of Technology (COT) Project Management Office to offer a common automated project repository for use by state agencies. Agencies are currently employing a myriad of approaches to managing their IT projects. As one tool to provide consistency in the state's management of IT projects, the project management information system will provide a web-based project repository for agency information. The system will also facilitate COT's ability to review projects and report on IT issues to the General Assembly.

Restricted Funds

425,000

425,000

Commonwealth Office of Technology**Franklin Co - Lease Genesco Bldg Warehouse**

This lease is located at Myrtle Avenue in Frankfort, Ky and is commonly referred to as the Geneseco Building Warehouse. The lease provides operational space for the Division of Printing in the Commonwealth Office of Technology. This space has been leased for this operation since 1979. The annual cost of the lease is \$216,400. The Division of Real Properties identifying number is PR02323.

Franklin Co - Lease 100 Fair Oaks

This lease is located at 100 Fair Oaks in Frankfort, Ky. The leased property is the primary location of the Commonwealth Office of Technology's (COT) Office of Application Development. COT has leased this space since June of 1995. The annual cost is \$374,700. The Division of Real Properties identifying number is PR03463.

Disk Storage Upgrade

This project will enhance the Commonwealth Office of Technology's (COT) disk storage system. Disk storage equipment consists of large-scale disk storage arrays, storage area networks, cache memory for buffering data, device controllers, and interfaces to computing platforms that range from large mainframe computers to much smaller Intel-based processors. The disk storage infrastructure must be upgraded periodically to provide additional capacity. This project consists of capital equipment projects needed to provide high-capacity disk storage that is shared between various enterprise server platforms and architectures. This is a reauthorization of an existing appropriation.

Enterprise Storage Solution

The Commonwealth Office of Technology (COT) provides data storage and safekeeping for all major statewide applications. This project will upgrade mainframe storage (z/OS), open-systems (AIX UNIX, SUN UNIX, and Microsoft Windows) and desktop support. Storage solutions will include a large storage area network (SAN), potential small storage area networks (SAN LETs), network-attached storage (NAS) and stand-alone storage boxes. This equipment is essential to disaster recovery for mission-critical systems. It will also expand existing storage devices, platforms and upgrades to provide a cost effective measure of technology maintenance. This is a reauthorization of an existing appropriation.

Enterprise Server Complex Upgrade

The Commonwealth Office of Technology maintains a computing facility that has been shared by all state agencies for over twenty years. This large shared computing facility is known as the Commonwealth Data Center and is located on Cold Harbor Drive in Frankfort. This facility houses computer servers that perform the computing required by Kentucky's most important enterprise applications. The servers that support these critical enterprise applications are called enterprise servers, and are collectively referred to as the enterprise server complex.

The enterprise server complex is a key component of the state's computing infrastructure. This equipment consists of central processing units, memory, and supporting hardware scaled for both large-scale general purpose mainframe platforms and smaller specialized mid-range computing platforms. The enterprise server complex upgrade consists of a pool of capital equipment projects to provide increased computational power for various computing architectures to meet the

needs of growing enterprise computing workloads. This is a reauthorization of an existing appropriation.

Enterprise Unix Server Consolidation

With the proliferation of single applications being deployed on independent servers or server farms, the Commonwealth Office of Technology (COT) must plan for consolidating computing resources. The COT provides strategic and operational support for all major statewide applications, as well as agency specific applications. Included in this support is hardware and software infrastructure needs to successfully manage these enterprise applications.

Without an enterprise approach to the computing requirements each and every application will endure equipment technology refreshment. True economies of scale can be recognized through sharing state-of-the-art technology built to sustain multiple applications on one hardware platform. The Commonwealth Data Center should supply the appropriate hardware and support structure to minimize recurring maintenance and operational costs. This is a reauthorization of an existing appropriation.

Statewide Digital Orthoimagery Basemap Update

This initiative will continue the effort to build a shared basemap that can meet the needs of its users at the state, federal, local, and regional level. A common basemap reduces the cost of developing GIS applications and promotes data sharing. Access to the basemap is made available in the public domain. The initial orthoimagery coverage was created from aerial photography flown from 1992 through 1998 (with some very limited coverage from 1999). The oldest imagery (east of 84 degrees longitude) was updated in 2001 and 2002. This represents approximately one-fourth of the state. The remaining area needs to be updated. This project will provide significant savings to governments and the private sector in using a common basemap, avoiding duplication, and encouraging standardization of Geographic Information Systems (GIS) assets. This is a reauthorization of an existing appropriation.

Enterprise Messaging

Enterprise messaging services provide electronic e-mail (Intranet and Internet), calendaring, contacts and other personal information management (PIM) functions to messaging subscribers. Currently, approximately 35,000 state and local government employees, libraries, constitutional offices and commissions utilize the services. Approximately another 80,000 Education Cabinet employees, non-participating Executive Branch agencies, and others depend on enterprise messaging for routing of messages among their individual sites. Enterprise messaging processes approximately 1 million messaging transactions a day.

Add-on features to enhance the users' ability to communicate include desktop fax and wireless messaging via the Blackberry handheld devices. Also, Enterprise Messaging assists the desktop virus protection program by discovering and quarantining infected messages and files as they enter the enterprise. This is a reauthorization of an existing appropriation.

Commonwealth Office of Technology**KY Info Highway Upgrade Exp**

The Kentucky Information Highway (version 2) (KI2) is a network infrastructure built on modern transport technologies that allows the Commonwealth Office of Technology (COT) to extend network resources to every agency in every county in the state. KI2 also allows COT to deploy new service offerings that were previously unavailable because of technological constraints. These new technologies will increase available bandwidth and save \$3 to \$4 million in operating costs annually. This is a reauthorization of an existing appropriation.

Enterprise Infrastructure Security

The Commonwealth Office of Technology (COT) provides the infrastructure and related support for the Commonwealth's computing and communications environment. As part of the infrastructure support, COT also provides security applications and systems in order to reduce risk and better protect state government resources. COT currently provides enterprise firewall support, virtual private networking (VPN) services and intrusion detection systems (IDS) to attempt to protect applications, systems and networks. Providing a secure infrastructure is critical to protecting the resources of the Commonwealth and maintaining public confidence. COT has reviewed and investigated over 2,000 security-related incidents in the past twelve months. In order to better protect resources, additional systems need to be implemented. These systems will include additional firewalls and IDS devices, e-mail filtering systems, Public Key Infrastructure (PKI) systems, web filtering systems, security content management systems and various host and network security devices. This is a reauthorization of an existing appropriation.

Disaster Recovery Phases I & II

The Commonwealth Office of Technology (COT) provides strategic and operational support for all major statewide applications, as well as agency specific applications. COT also provides and manages the network communications infrastructure that provides connectivity for applications, users and locations across the Commonwealth. During fiscal year 2002-2003, COT awarded and managed the contract for Disaster Recovery Planning services for all applications supported by COT and deemed critical by the responsible state agency. Once the planning phase is completed, COT will begin implementation of recommendations from the planning process based on budget availability. Many of the recommendations for disaster recovery improvements will require substantial unplanned expenditures. This is a reauthorization of an existing appropriation.

Finance

	Fiscal Year 2005-2006	Fiscal Year 2006-2007	Fiscal Year 2007-2008
Commonwealth Office of Technology Summary		<u>34,683,000</u>	<u>3,800,000</u>
Restricted Funds		4,200,000	3,800,000
Federal Funds		16,166,000	
Bond Funds		14,317,000	

Finance**Fiscal Year
2005-2006****Fiscal Year
2006-2007****Fiscal Year
2007-2008****Revenue****Implement a Comprehensive Tax System - Phase I****23,250,000**

The Department of Revenue's various tax information systems need upgrades and replacement. Most of the Department of Revenue's systems were implemented in the 1980's and are not easy to modify or maintain. There is a real danger of systems failure due to lack of experience in COBOL and other outdated programming languages. These systems were simply not designed to work with the technologies of the 21st century. The new comprehensive system will use web-based technologies and be flexible enough to allow adaptation to new technologies in the future.

Bond Funds

23,250,000

Motor Fuels Tax Automation**2,500,000**

This project will replace the Department of Revenue's laborious manual cross-checking of paper returns, a system that can not be maintained with current staffing levels with electronic capture of motor fuels tax data coupled with electronic verification. The Auditor of Public Accounts findings support this upgrade as a better method to assure the revenues due the Commonwealth are received. The system will reduce the workload for both taxpayers and the Department. It will also result in increased compliance and higher tax revenues.

Road Fund

1,250,000

Federal Funds

1,250,000

Franklin Co - Lease 100 Fair Oaks

This lease is located at 100 Fair Oaks in Frankfort, Ky. The lease provides office space for the Division of Collections and a portion of the Division of Operations. The lease cost is \$278,384 annually for 41,242 square feet. The Division of Real Properties identifying number is PR03747.

Franklin Co - Lease 200 Fair Oaks

This lease is located at 200 Fair Oaks in Frankfort, Ky. The lease provides office space for the headquarters of the Department of Revenue. The lease cost is \$1,971,700 annually for 181,216 square feet. The Division of Real Properties identifying number is PR03882.

Franklin Co - Lease Perimeter Park West

This lease is located at Perimeter Park in Frankfort, Ky. The lease provides office space for the Division of Operations. The lease cost is \$421,200 annually for 45,528 square feet. The Division of Real Properties identifying number is PR03386.

Finance

	Fiscal Year 2005-2006	Fiscal Year 2006-2007	Fiscal Year 2007-2008
Revenue Summary		25,750,000	
Federal Funds		1,250,000	
Road Fund		1,250,000	
Bond Funds		23,250,000	

Ky Lottery Corporation**Potential Buyout of On-line Gaming System****12,250,000**

This project authorizes the Kentucky Lottery Corporation to purchase the on-line gaming system hardware consisting of terminals, mainframe computers, telecommunications equipment and related equipment only in the event that the on-line vendor is unable to fulfill its contractual obligations or in the event the Lottery's business needs so dictate. The cost of such a buyout of the on-line gaming system would be a maximum of \$12,500,000, as stipulated in the vendor's proposal, during the 2006-08 biennium. A decision by the Lottery Corporation Board to exercise the buyout option authorized here requires the Board to first obtain the concurrence and approval of the Secretary of the Finance and Administration Cabinet.

Other Funds

12,250,000

Data Processing, Telecomm, and Related Equipment**3,000,000****3,000,000**

This project authorizes the purchase of data processing hardware, telecommunications equipment, and related peripheral equipment. These items individually exceed \$100,000 or together comprise systems purchased at one time which exceed \$400,000.

Other Funds

3,000,000

3,000,000

Contingency on Property Adjacent to New Headqtrs**4,000,000**

This project authorizes the acquisition of properties related to the consolidation of the Kentucky Lottery's facilities, assuming one or more such properties becomes available for purchase. The purchase price of such properties will not exceed \$4,000,000 in the aggregate.

Other Funds

4,000,000

iSeries System Upgrades**1,000,000**

The Kentucky Lottery Corporation expects to perform a system upgrade on iSeries equipment every biennium. These upgrades are necessary due to increased processing requirements for enhanced eBusiness applications.

Other Funds

1,000,000

Network Storage and Associated Infrastructure**500,000**

To accommodate unpredictable growth and expense, the Kentucky Lottery Corporation(KLC) plans to build a network attached storage foundation to service all KLC servers and limit administrative costs, hardware costs, and disparate and poorly redundant backup systems.

Other Funds

500,000

Finance

	Fiscal Year 2005-2006	Fiscal Year 2006-2007	Fiscal Year 2007-2008
Ky Lottery Corporation Summary		<u>20,750,000</u>	<u>3,000,000</u>
Other Funds		20,750,000	3,000,000
Finance Summary		<u>181,349,000</u>	<u>13,034,000</u>
Restricted Funds		4,200,000	3,800,000
Federal Funds		17,416,000	
Road Fund		1,250,000	
Bond Funds		135,208,000	5,000,000
Capital Construction Surplus		903,000	904,000
Investment Income		1,290,000	330,000
Other Funds		20,750,000	3,000,000
Deferred Maintenance		332,000	